

FAMILIES HELPING FAMILIES OF
NORTHEAST LOUISIANA, INC.

Financial Report
For the Year Ended June 30, 2022



FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Families Helping Families of Northeast Louisiana, Inc.
Monroe, Louisiana

Opinion

I have audited the accompanying financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Northeast Louisiana, Inc. as of June 30, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Families Helping Families of Northeast Louisiana, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Families Helping Families of Northeast Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Families Helping Families of Northeast Louisiana, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 30, 2022 on my consideration of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and compliance.

Maxwell CPA, LLC
Monroe, Louisiana
December 30, 2022

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current Assets

Cash	\$ 110,353
Grants Receivable	32,742
Due from Employees	231
Investments	<u>96,055</u>
	<u>\$ 239,381</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 8,012
Payroll Taxes Payable	<u>4,459</u>
Total Current Liabilities	12,471

Net Assets

Without Donor Restrictions	<u>226,910</u>
Total Liabilities and Net Assets	<u>\$ 239,381</u>

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Other Support</u>			
Grants and Contracts	\$ -	\$ 406,172	\$ 406,172
Fund-raising Events	6,313	-	6,313
Contributions	1,816	-	1,816
Investment Income	2,478	-	2,478
Unrealized Gains (Losses) on Investments	(12,360)	-	(12,360)
Other Income	47,441	-	47,441
Net Assets Released From Restrictions	406,172	(406,172)	-
Total Revenues and Other Support	<u>451,860</u>	<u>-</u>	<u>451,860</u>
<u>Expenses</u>			
Program:			
Community and Family Support With Training	309,276	-	309,276
Support:			
General and Administrative	82,644	-	82,644
Fundraising	1,000	-	1,000
Total Expenses	<u>392,920</u>	<u>-</u>	<u>392,920</u>
<u>Change in Net Assets</u>	58,940	-	58,940
<u>Net Assets, Beginning of the Year</u>	<u>167,970</u>	<u>-</u>	<u>167,970</u>
<u>Net Assets, End of the Year</u>	<u>\$ 226,910</u>	<u>\$ -</u>	<u>\$ 226,910</u>

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program</u>		<u>Support</u>		<u>Total</u>
	<u>Community and Family Support with Training</u>	<u>General and Administrative</u>	<u>Fundraising</u>		
Salaries	\$ 139,790	\$ 46,597	\$ -	\$ 186,387	
Payroll Taxes	11,909	3,969	-	15,878	
Other Employee Benefits	3,891	3,315	-	7,206	
Supplies and Equipment	10,837	8,231	1,000	20,068	
Building Rent, Utilities, and Maintenance	9,528	8,116	-	17,644	
Postage	263	224	-	487	
Telephone	2,542	2,166	-	4,708	
Professional Fees	4,598	3,917	-	8,515	
Insurance	3,385	2,883	-	6,268	
Promotions	487	415	-	902	
Office Expense	216	184	-	400	
OCDD Fiscal Intermediary	107,895	-	-	107,895	
CSHS Transport and Travel	112	-	-	112	
DDC Event	699	-	-	699	
Adult Programs	1,506	-	-	1,506	
CCR Expenses	9,648	-	-	9,648	
Bank Charges	-	400	-	400	
Board Meetings	-	549	-	549	
Miscellaneous	1,970	1,678	-	3,648	
	<u>1,970</u>	<u>1,678</u>	<u>-</u>	<u>3,648</u>	
Total Functional Expenses	<u>\$ 309,276</u>	<u>\$ 82,644</u>	<u>\$ 1,000</u>	<u>\$ 392,920</u>	

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Cash Flows From Operating Activities</u>	
Increase in Net Assets	\$ 58,941
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Unrealized (Gain) Loss on Investments	12,360
(Increase) Decrease in Grants Receivable	(840)
Increase (Decrease) in Accounts Payable	6,069
Increase (Decrease) in Payroll Taxes Payable	4,095
Total Adjustments	<u>21,684</u>
Net Cash Provided by Operating Activities	<u>80,625</u>
<u>Cash Flows From Investing Activities</u>	
Dividend and Interest Income Reinvested	(2,478)
<u>Cash Flows From Financing Activities</u>	
Payroll Protection Program Loan Forgiveness	<u>(42,239)</u>
<u>Net Increase in Cash and Cash Equivalents</u>	35,908
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>74,445</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u><u>\$ 110,353</u></u>
Supplemental Disclosure of Cash Flow Information	
Interest Paid	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

A. Nature of Operations

Families Helping Families of Northeast Louisiana, Inc., is a nonprofit organization whose purpose is to serve individuals with disabilities and their families in Region VIII of northeast Louisiana by providing information and referrals on available services, parent-to-parent support, education, and training. The Organization is governed by 12 non-compensated directors.

B. Basis of Presentation

FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met with the passage of time or occurrence of other events. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2020, the Organization does not have any restrictions that are perpetual in nature.

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred.

D. Income Taxes

Families Helping Families of Northeast Louisiana, Inc., is exempt from income taxes under Internal Revenue Code Section 501(c) (3) and the Internal Revenue Service (IRS) has classified it as other than a private foundation. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no material unrelated business income for the year ended June 30, 2022. The earliest income tax year that is subject to examination is 2019.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Uncollectible Allowance

The statements contain not provision for uncollectible accounts. Management considers all amounts due from grantors to be fully collectible.

G. Fair Value of Financial Instruments

FASB Accounting Standards Codification No. 820, Disclosures About Fair Value of Financial Instruments, requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial position. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Codification No. 820 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Organization.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

(1) Cash and Cash Equivalents

The carrying amounts reported in the statements of financial position for cash and cash equivalents approximate their fair value.

(2) Investments

Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

H. Equipment and Furniture

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized as title to the assets, which are purchased with resources from grants, reverts to the grantors. The full cost of equipment and furniture is charged as an expense upon purchase. Maintenance and repairs of equipment and furniture are charged to operations.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

I. Revenues and Other Support

Revenues received under grant programs are recorded as revenue when Families Helping Families of Northeast Louisiana, Inc., has incurred expenditures in compliance with the specific restrictions. Approximately 95% of its revenues and other support was received under federal, state and local grant agreements. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Families Helping Families of Northeast Louisiana, Inc., has not received any contributions with donor-imposed restrictions that would result in temporary or permanent restrictions on net assets.

J. Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the activities benefitted.

K. Adoption of New Accounting Standards

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, to replace a wide range of industry-specific rules with a broad, principles-based framework for recognizing and measuring revenue from contracts with customers. The guidance is codified at FASB ASC 606. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Organization's revenue is composed of contributions and annual grants. Accordingly, the majority of the Organization's revenues were not affected. Adoption of ASU 2014-09, which was effective for the Organization on January 1, 2020, did not have a material impact on the financial statements.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 110,353
Grants Receivable	32,742
Investments	<u>96,055</u>
	\$ 239,150

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3 – Cash

At June 30, 2022, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 3 – Cash (continued)

Checking accounts	\$ 110,268
Petty cash	<u>85</u>
Total cash	<u>\$ 110,353</u>

Note 4 – Investments

Investments held as of June 30, 2022 by Families Helping Families of Northeast Louisiana, Inc. with Argent Financial consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalents	\$ 3,711	\$ 3,711	\$ -
Mutual funds	81,346	74,601	(6,745)
Exchange Traded Equities	9,139	9,795	656
Exchange Traded Fixed Income	<u>7,963</u>	<u>7,948</u>	<u>(15)</u>
Totals	<u>\$ 102,159</u>	<u>\$ 96,055</u>	<u>\$ (6,104)</u>

Investment income for the year ended June 30, 2022 is summarized as follows:

Dividends	\$ 2,478
Unrealized Gain (Loss)	<u>(12,360)</u>
Total investment income	<u>\$ (9,882)</u>

Note 5 - Fair Value Measurements

Generally accepted accounting principles (GAAP) provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to adjusted quoted prices in active markets for identical assets or liabilities (level 1 investments) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under the framework are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

Level 2: Inputs to valuation methodology include quotes prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 5 - Fair Value Measurements (continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing model, discounted cash flow models, and similar techniques.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At June 30, 2022 all investments were valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

Note 6 - Grants Receivable

A summary of grant amounts receivable as of June 30, 2022 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 9,329
Louisiana Clinical Services, Inc.– Office for Citizens with Developmental Disabilities - Northeast Delta Human Services Authority	11,213
Louisiana Clinical Services, Inc. – Bureau of Family Health	11,500
Family to Family Health Info Center	<u>700</u>
Total Grants Receivable	<u>\$ 32,742</u>

Note 7 - Contingencies, Risks, and Uncertainties

As stated earlier, approximately 95% of Families Helping Families of Northeast Louisiana, Inc.'s revenues and support are received under federal, state, and local grant agreements. Funding for the various programs is provided on a year-to-year basis, with no requirement that the programs be renewed at all, or if renewed, that funding levels be maintained or increased.

Families Helping Families of Northeast Louisiana, Inc. participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Families Helping families of Northeast Louisiana, Inc. has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables as of June 30, 2022 may be impaired. In the opinion of Families Helping Families of Northeast Louisiana, Inc.'s management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recording in the accompanying financial statements for such contingencies.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Note 8 – Summary of Grants/Contract Funding

Families Helping Families of Northeast Louisiana, Inc., was primarily funded through the following grants and contracts for the year ended June 30, 2022:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS 2000482040	\$ 111,946
CFMS 2000531143	271
Louisiana Department of Education:	
CFMS 2000543068	39,183
Louisiana Clinical Services:	
87101	45,250
84396	86,551
112200	105,237
82819	1,760
188490	11,774
Bayou Land Families Helping Families - FHFHIC	<u>4,200</u>
Total Recognized Grant Revenue	<u>\$ 406,172</u>

Note 9 – Concentration of Credit Risk

The Organization maintains its cash and cash equivalents balances in one financial institution. Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 the amounts on deposit by the Organization were covered by FDIC insurance.

Note 10 – Litigation and Claims

As of June 30, 2022, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

Note 11 – Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 30, 2022, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head		
Stacey Guidry, Executive Director		
Salary	\$	65,000
Benefits		
Benefits - Insurance		<u>1,800</u>
Total	\$	<u><u>66,800</u></u>

See accompanying notes and auditor's report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Families Helping Families of Northeast Louisiana, Inc.
Monroe, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency*, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as 2022-01 to be significant deficiencies.



Board of Directors of
Families Helping Families of Northeast Louisiana, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on Families Helping Families of Northeast Louisiana, Inc.'s response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. Families Helping Families of Northeast Louisiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, the communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Maxwell CPA, LLC

Monroe, Louisiana
December 30, 2022

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Families Helping Families of Northeast Louisiana, Inc.
2. No material weaknesses were disclosed during the audit of the financial statements to be reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. One significant deficiency was disclosed during the audit of the financial statements to be reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*.
4. No instances of noncompliance material to the financial statements of Families Helping Families of Northeast Louisiana, Inc., which is reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

FINDINGS - FINANCIAL STATEMENT AUDIT

2022-01 Inadequate Segregation of Duties

Condition:

The segregation of duties is inadequate to provide effective internal control.

Criteria:

Adequate segregation of duties is essential to a proper internal control structure.

Cause:

The condition is due to economic limitations.

Effect:

Lack of segregation of accounting duties increases the risk that errors or irregularities would not be detected or corrected in a timely manner.

Recommendation:

Establish guidelines for the Board of Directors on a rotating basis to closely monitor reports for billings, payments, and credit cards. Furthermore, bank statements and bank reconciliations should be reviewed by the board each month.

Response:

We concur in the finding, but it is not economically feasible for corrective action to be taken.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

Internal Control and Compliance Material to the Financial Statements

2021-01 Inadequate Segregation of Duties

Condition:

The segregation of duties is inadequate to provide effective internal control.

Recommendation:

No action is recommended.

Current Status:

Repeated as finding 2022-01.

2021-02 Internal Controls Operational Deficiency

Condition:

The Organization's consulting CPA had to make material entries and reclassification of items at year end that should have been done on a regular basis throughout the year. The bank reconciliations were not reviewed for accuracy resulting in multiple entries made to cash at year end and outstanding items not being addressed by management.

Recommendation:

The Organization should review the internal controls and consider having a board member and/or their consulting CPA review the general ledger and financial statements monthly.

Current Status:

The finding has been cleared.

2021-03 Compliance with Annual Filing Deadline

Condition:

The Organization did not timely file its annual reports for the year ending June 30, 2021.

Recommendation:

The Organization should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Current Status:

The finding has been cleared.

Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Management Letter

This section is not applicable